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METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

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07/96 E. Rural Critical Hospital Adjustment Payments (RCHAP)

Rural Critical Hospital Adjustment Payments (RCHAP) shall be made to certain rural hospitals for certain inpatient admissions occurring on or after September 1, 1996. The Department shall make a RCHAP adjustment payment to hospitals qualifying under this subsection at a rate that is the greater of:

1. the product of $745 multiplied by the number of RCHAP Obstetrical Care Admissions in the CHAP base period, or

2. the product of $75 multiplied by the number of RCHAP General Care Admissions in the CHAP base period.

07/96 F. Each eligible hospital's critical hospital adjustment payment for the CHAP rate period shall equal the sum of the amounts described in A., B., and D. above. The critical hospital adjustment payments shall be paid to eligible hospitals on a quarterly basis.

06/97 G. For the month beginning June 1, 1997, and ending June 30, 1997, each hospital which qualifies under Part E.above shall receive an additional payment equal to an annual amount as described under Part E.above. For quarters beginning July 1, 1997, that rate, as described in Part E. above, shall be multiplied by a factor of two.

3 H. Critical Hospital Adjustment Limitations. Hospitals that qualify for trauma center adjustments under Section A. above shall not be eligible for the total trauma center adjustment if, during the CHAP rate period, the hospital is no longer recognized by the Illinois Department of Public Health as a Level I trauma center as required for the adjustment described in A.1. above, or a Level II trauma center as required for the adjustment described in A.2. or A.3. above. In these instances, the adjustments calculated shall be pro-rated, as applicable, based upon the date that such recognition ceased.

==06/98 I. In order to maintian critical hospital access, certain hospitals, excluding municipally licensed children's hospitals, may receive a one-time CHAP payment for the CHAP rate period ending on June 30, 1998, in an amount as defined below:

1. Hospitals qualifying under either a. or b. below qualify under this subsection I.

   a. The hospital was eligible to receive a DHA payment in the July 1, 1996, CHAP rate period, or

   b. The hospital would have been able to receive a DHA payment in the July 1, 1996 CHAP rate period, under subsection C.2.c., if the hospital's base year Medicaid psychiatric and rehabilitation admissions were multiplied by a factor of two.

2. Hospitals qualifying under number I.1. above shall receive the following payment:

   a. Hospitals qualifying under the criteria described in I.1.a. above, shall receive the DHA payment rate from their July 1, 1996 CHAP rate period multiplied by the sum of the following days from the 1995 CHAP base period: Medicaid psychiatric days, medicaid rehabilitation days, and Medicaid obstetrical admissions, less their Medicaid zero-paid days.

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b. Hosptials qualifying under the criteria described in I.1.b. above shall receive the DHA payment rate of $30 multiplied by the sum of the following days from the 1995 CHAP base period; total Medicaid days, Medcaid physchiatric days, Medicaid rehabilitation days, Medicaid obstetrical admissions less their Medicaid zero-paid days.

c. Hospitals that are eligible for DHA payments that have an affilitated Children's hospital shall receive additional payments in the following amounts:

i. If the hospital qualifies for DHA payments only under subsection C.2.b., it shall receive an additional payment of $69,000.

ii If the hospital qualifies for DHA payments under both subsections C.2.b. and C.2.c., than it shall receive an additional payment of $124,760.

==06/98 ~~I~~J. Critical Hospital Adjustment Payment Definitions. The definitions of terms used with reference to calculation of the CHAP required by this Section are as follows:

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SUPERSEDES
TN # _____

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07/95	1.	"CHAP base period" means State Fiscal Year 1994, for CHAP payments calculated for the July 1, 1995, CHAP rate period, State Fiscal Year 1995 for CHAP payments calculated for the July 1, 1996, CHAP rate period, etc.
07/95	2.	"CHAP rate period" means, beginning July 1, 1995, the 12 month period beginning on July 1 of the year and ending June 30 of the following year.
10/99	3.	"Combined MIUR" means the sum of Medicaid Inpatient Utilization Rate (MIUR) as of July 1, 1999, plus the Medicaid obstetrical inpatient utilization rate, both of which are defined in Chapter VI.C.8.
10/99	~~3~~ 4.	"Cost Per Day at Eighty Percent Occupancy" means the estimated inpatient cost per day had the hospital been operating at an eighty percent occupancy rate.
~~07/95~~	~~4.~~	~~"Medicaid General Care Admission" means hospital inpatient admissions which were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, excluding admissions for normal newborns, Medicare/Medicaid crossover admissions, psychiatric and rehabilitation admissions.~~
~~07/95~~	~~5.~~	~~"Medicaid Inpatient Day" means hospital inpatient days which were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, excluding days for normal newborns and Medicare/Medicaid crossover days.~~
10/99	~~6~~ 5.	"Medicaid Level I rehabilitation admissions" means those claims billed as Level I admissions which were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, with an occurrence code of 63 when applicable and an ICD-9-CM principal diagnosis code of: 054.3, 310.1 through 310.2, 320.1, 336.0 through 336.9, 344.0 through 344.2, 344.8 through 344.9, 348.1, 801.30, 803.10, 803.84, 806.0 through 806.19, 806.20 through 806.24, 806.26, 806.29 through 806.34, 806.36, 806.4 through 806.5, 851.06, 851.80, 853.05, 854.0 through 854.04, 854.06, 854.1 through 854.14, 854.16, 854.19, 905.0, 907.0, 907.2, 952.0 through 952.09, 952.10 through 952.16, 952.2, and V57.0 through V57.89, excluding admissions for normal newborns.
10/99	~~7~~ 6.	"Medicaid Level I rehabilitation inpatient day" means the days associated with the claims defined in subsection (e)(~~6~~)(5) above.

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~~07/95~~	~~8.~~	~~"Medicaid obstetrical care admission" means hospital inpatient admissions which were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, with an ICD-9-CM principal diagnosis code of 640.0 through 648.9 with a 5th digit of 1 or 2; 650; 651.0 through 659.9 with a 5th digit of 1, 2, 3, or 4; 660.0 through 669.9 with a 5th digit of 1, 2, 3, or 4; 670.0 through 676.9 with a 5th digit of 1 or 2; or V27 through V27.9; or V30 through V39.9; or any ICD-9-CM principal diagnosis code that is accompanied with a surgery procedure code between 72 and 75.99; and specifically excludes Medicare/Medicaid crossover claims.~~
10/99	~~9.~~ 7.	"Medicaid trauma admission" means those claims billed as admissions which were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, with an ICD-9-CM principal diagnosis code of: 800.0 through 800.99, 801.0 through 801.99, 802.0 through 802.99, 803.0 through 803.99, 804.0 through 804.99, 805.0 through 805.98, 806.0 through 806.99, 807.0 through 807.69, 808.0 through 808.9, 809.0 through 809.1, 828.0 through 828.1, 839.0 through 839.3, 839.7 through 839.9, 850.0 through 850.9, 851.0 through 851.99, 852.0 through 852.59, 853.0 through 853.19, 854.0 through 854.19, 860.0 through 860.5, 861.0 through 861.32, 862.8, 863.0 through 863.99, 864.0 through 864.19, 865.0 through 865.19, 866.0 through 866.13, 867.0 through 867.9, 868.0 through 868.19, 869.0 through 869.1, 887.0 through 887.7, 896.0 through 896.3, 897.0 through 897.7, 900.0 through 900.9, 902.0 through 904.9, 925, 926.8, 929.0 through 929.99, 958.4, 958.5, 990 through 994.99. For those hospitals recognized as Level I trauma centers solely for pediatric trauma cases, Medicaid trauma admissions are only calculated for the claims billed as admissions, excluding admissions for normal newborns, which were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, with ICD-9-CM diagnoses within the above ranges for children under the age of 18 excluding admissions for normal newborns.
10/99	~~10~~ 8.	"Medicaid trauma admission percentage" means a fraction, the numerator of which is the hospital's Medicaid trauma admissions and the denominator of which is the total Medicaid trauma admissions in a given 12 month period for all level II urban trauma centers.
10/99	~~11~~.9.	"The CHAP base period" means State Fiscal Year 1995 for RCHAP's calculated for the July 1, 1996, CHAP rate period; State Fiscal Year 1996 for RCHAP's calculated for July 1, 1997, CHAP rate period, etc.

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10/92 b. Be enrolled with the Department as a psychiatric hospital to provide inpatient psychiatric services (category of service 21) and have a Provider Agreement to participate in the Medicaid Program.

2. Rehabilitation Hospitals

A rehabilitation hospital must:

a. Hold a valid license as a physical rehabilitation hospital; and

10/92 b. Be enrolled with the Department as a rehabilitation hospital to provide inpatient rehabilitation services (category of service 22) and have a Provider Agreement to participate in the Medicaid Program.

3. Children's Hospitals

A children's hospital must:

==07/98 a. Be a hospital devoted exclusively to caring for children. A general care hospital which includes a facility devoted exclusively to caring for children that is separately licensed as a hospital by a municipality before September 30, 1998, shall be considered a children's hospital to the degree that the hospital's Medicaid care is provided to children;. A children's hospital licensed by a municipality shall be reimbursed for all Medicaid inpatient and outpatient services rendered to persons who are under 18 years of age, with the exception of obstetric, normal newborn nursery, psychiatric and rehabilitation, regardless of the physical location within the hospital complex where the care is rendered; and

b. Have a Provider Agreement to participate in the Medicaid Program.

10/92 4. Long Term Stay Hospitals

10/92 A long term stay hospital must:

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10/93 c. Illinois hospitals that, on July 1, 1991, had a Medicaid inpatient utilization rate, as defined in Section C.8.e., that was at least the mean Medicaid inpatient utilization rate, as defined in Section C.8.c., and which were located in a planning area with one-third or fewer excess beds as determined by the Illinois Health Facilities Planning Board (77 Ill. Adm. Code 1100), and that, as of June 30, 1992, were located in a federally designated Health Manpower Shortage Area (42 CRF, 5, 1989).

10/92 d. Illinois hospitals that:

10/92 i. Have a Medicaid inpatient utilization rate, as defined in Section C.8.e., which is at least the mean Medicaid inpatient utilization rate, as defined in Section C.8.c., and

10/92 ii. Also have a Medicaid obstetrical inpatient utilization rate, as defined in Section C.8.f., that is at least one standard deviation above the mean Medicaid obstetrical inpatient utilization rate, as defined in Section C.8.d.

==07/98 e. Any children's hospital, as defined in Chapter II C(3) of this Attachment. ~~which means a hospital devoted exclusively to caring for children. A hospital which includes a facility devoted exclusively to caring for children that is separately licensed as a hospital by a municipality shall be considered a children's hospital to the degree that the hospital's Medicaid care is provided to children.~~

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B) The percentage increase in the statewide average hospital payment rate, as described in Section C.8.h. of this Chapter, over the previous year's statewide average hospital payment rate.

==07/95

vi. The amount calculated pursuant to Section C.7.a. above for a hospital described in Section A.1.a.i. of Chapter XVI. shall be no less than the DSH rates in effect on June 1, 1992, except that this minimum shall be adjusted on the first day of July of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports. The per diem cost of inpatient hospital services is calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.

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vii. The amount calculated pursuant to Sections C.7.a. and C.7.b.ii. through C.7.b.v. of this Chapter as adjusted pursuant to Sections C.7.d. and C.7.e. shall be the inpatient payment adjustment in dollars for the applicable DSH determination year, subject to the limitations described in Sections C.7.b.iv. and C.7.f. of this Chapter, and the adjustment described in Section C.7.b.vi. above. The adjustments calculated under Sections C.7.a. and C.7.b.ii. through C.7.b.vi. of this Chapter shall be paid on a per diem basis and shall be applied to each covered day of care provided.

==07/98

c. ~~DMHDD~~ Department of Human Services (DHS) State-Operated Facility Adjustment for Hospitals defined in Chapter XVI, Section A.7. ~~Department of Mental Health and Developmental Disabilities' (DMHDD)~~ Department of Human Services State-operated facilities qualifying under ~~this Chapter,~~ Section C.1.b., shall receive an adjustment effective for inpatient services on or after March 1, 1995. The amount of that payment shall be calculated as follows.

07/95

i. The amount of the adjustment is based on a State DSH Pool. The State DSH pool amount shall be calculated by subtracting the estimated DSH payment adjustments made under Sections C.7.a through C.7.b. of this Chapter, and Chapter XIV, Section F.2. from the aggregate DSH payment adjustment set by the Health Care Financing Administration (HCFA) in accordance with Public Law 102-234.

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3. In the case of a new hospital (not previously owned or operated), a hospital has significantly changed its case-mix profile (e.g., a general acute care hospital changing its case-mix to reflect a predominance of long term care patients), or an out-of-state non cost-reporting hospital, reimbursement for inpatient services shall be as follows:

10/93 a. For general acute care hospitals, reimbursement for inpatient services shall be at the average payment rate calculated under Section B.1. or B.2. above for those hospitals reimbursed under the DRG PPS.

b. For psychiatric hospitals, as defined in Section C.1. of Chapter II., reimbursement for inpatient psychiatric services shall be at the average rate calculated under Section A.2. of this Chapter for those hospitals defined in Section C.1. of Chapter II.

c. For rehabilitation hospitals, as defined in Section C.2. of Chapter II., reimbursement for inpatient rehabilitation services shall be at the average rate calculated under Section A.2. of this Chapter for those hospitals defined in Section C.2. of Chapter II.

d. For long term stay hospitals, as defined in Section C.4. of Chapter II., reimbursement for inpatient services shall be at the average rate calculated under Section A.2. of this Chapter for those hospitals defined in Section C.4. of Chapter II.

==07/98 e. For children's hospitals, as defined in Section C.3. of Chapter II., reimbursement for inpatient services: ~~shall be at the average rate calculated under Section B.1. of this Chapter for those hospitals defined in Section C.3 of Chapter II.~~

==07/98 i. provided before August 1, 1998, shall be at the average rate calculated under subsection B.1.; or

ii. provided on or after August 1, 1998, for a children's hospital that was licensed as such by a municipality after June 30, 1995, shall be equal to the average rate calculated in Chapter VIII.C.2. for children's hospitals in existence before June 30, 1995, with an average length of stay that was less than 14 days as determined from the hospital's fiscal year 1994 cost report.

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==07/95 XV. Critical Hospital Adjustment Payments (CHAP)

==07/98 Critical Hospital Adjustment Payments (CHAP) shall be made to all eligible hospitals excluding county-owned hospitals, as described in Chapter XVI A.1.a.i., and hospitals organized under the University of Illinois Hospital Act, as described in Chapter XVI A.1.a.ii. for inpatient admissions occurring on or after July 1, 1998 ~~1995~~, in accordance with this Chapter.

==07/95 A. Trauma Center Adjustments (TCA)

==07/95 The Department shall make a trauma center adjustment (TCA) to Illinois hospitals recognized, as of the last day of June preceding the CHAP rate period, as a Level I or Level II trauma center by the Illinois Department of Public Health, in accordance with the provisions of 1. through 3 below.

==07/95 1. Level I Trauma Center Adjustment (TCA).

==07/95 a. Criteria. Illinois hospitals that, on the last day of June preceding the CHAP rate period are recognized as a Level I trauma center by the Illinois Department of Public Health, shall receive the Level I trauma center adjustment.

==07/95 b. Adjustment. Illinois hospitals meeting the criteria specified in 1.a. above shall receive an adjustment as follows:

==07/98 i. Hospitals with Medicaid trauma admissions equal to or greater than the mean Medicaid trauma admissions, for all hospitals qualifying under 1.a. above, shall receive an adjustment of $21,365~~$19,700.00~~ per Medicaid trauma admission in the CHAP base period.

==07/98 ii. Hospitals with Medicaid trauma admissions less than the mean Medicaid trauma admissions, for all hospitals qualifying under 1.a. above, shall receive an adjustment of $14,165 ~~$12,500.00~~ per Medicaid trauma admission in the CHAP base period.

==07/98 2. Level II Rural Trauma Center Adjustment (TCA). Illinois rural hospitals, as defined in Chapter XVI B.3., that, on the last day of June preceding the CHAP rate period, are recognized as a Level II trauma center by the Illinois Department of Public Health shall receive an adjustment of ~~$11,565 $9,900.00~~ per Medicaid trauma admission in the CHAP base period.

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==07/98 3. Level II Urban Trauma Center Adjustment (TCA). Illinois urban hospitals, as described in Chapter XVI B.4., that, on the last day of June preceding the CHAP rate period, are recognized as Level II trauma centers by the Illinois Department of Public Health shall receive an adjustment of $11,565 ~~$9,900.00~~ per Medicaid trauma admission in the CHAP base period, provided that such hospital meets the criteria described below:

==07/95 a. The hospital is located in a county with no Level I trauma center; and

==07/95 b. The hospital is located in a Health Professional Shortage Area (HPSA) (42 CFR 5), as of the last day of June preceding the CHAP rate period and has a Medicaid trauma admission percentage at or above the mean of the individual facility values determined in A.3.a. above; or the hospital is not located in a HPSA (42 CFR 5) and has a Medicaid trauma admission percentage that is at least the mean plus one standard deviation of the individual facility values determined in subsection A.3.a. above.

==07/95 B. Rehabilitation Hospital Adjustment (RHA)

==07/95 Illinois hospitals that, on the last day of June preceding the CHAP rate period, qualify as rehabilitation hospitals, as defined Section C.2. of Chapter II, and are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF), shall receive a rehabilitation hospital adjustment in the CHAP rate period that consists of the following three components:

==07/98 1. Treatment Component. All hospitals defined in Section B. above, shall receive $4,595 ~~$3,800.00~~ per Medicaid Level I rehabilitation admission in the CHAP base period.

==07/95 2. Facility Component. All hospitals defined in Section B. above, shall receive a facility component that shall be based upon the number of Medicaid Level I rehabilitation admissions in the CHAP base period as follows:

==07/97 a. Hospitals with fewer than 90 Medicaid Level I rehabilitation admissions in the CHAP base period shall receive a facility component of $250,000.00 in the CHAP rate period.

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